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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06/02/09

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule (Nikkei)

Visit of Deputy Secretary Steinberg:

- 4) U.S., Japan agree not to recognize North Korea as a nuclear power (Yomiuri)
- 5) Deputy Secretary Steinberg, Vice Foreign Minister Yabunaka agree to pressure North Korea to denuclearize (Nikkei)
- 6) Foreign Minister Nakasone would like to see a review of the policy dealing with North Korea (Mainichi)
- 7) Yabunaka says new approach needed in North Korea policy (Asahi)
- 8) U.S. has shifted focus of North Korea policy toward pressure tactics, with Treasury official accompanying Steinberg delegation to Japan (Asahi)
- 9) In meeting with Deputy Secretary Steinberg, Democratic Party of Japan President Hatoyama makes pitch for a future DPJ administration (Nikkei)

Defense and security affairs:

- 10) Vice defense minister restates Japan's request of U.S. to share information on the F-22 (Mainichi)
- 11) Liberal Democratic Party (LDP) seeks end to defense budget cuts, wants new build up plan to state so (Sankei)
- 12) Chief Cabinet Secretary Kawamura denies existence of "secret pact" between U.S. and Japan allowing nuclear weapons into Japan (Mainichi)
- 13) Government to decide today basic action plan for military use of outer space (Akahata)

Politics:

- 14) August Lower House election now likely (Mainichi)
- 15) DPJ in battle formation to confront the ruling parties this summer in run-up to the Lower House election (Mainichi)
- 16) Ruling and opposition camps are gearing up strategies to appeal to public in upcoming election campaign (Tokyo Shimbun)

Articles:

1) TOP HEADLINES

Asahi: Mainichi: Yomiuri: Nikkei: Sankei: Tokyo Shimbun: Akahata:
GM files for bankruptcy with 16 trillion yen in debts

2) EDITORIALS

Asahi:

- (1) GM files for bankruptcy: Occasion for reform of automobile civilization
- (2) Diet session extended extensively: Do not continue to avoid Diet dissolution

Mainichi:

- (1) GM to be nationalized: Reconstruction is a long way off
- (2) Disapproval of construction of Onahama thermal power plant: Environment assessment worked

Yomiuri:

- (1) GM goes under: Key to reconstruction is to manufacture cars that sell

TOKYO 00001230 002 OF 011

- (2) Designation of U.S. ambassador to Japan: First step toward building new relationship with Obama administration

Nikkei:

- (1) GM files for bankruptcy: Giant company neglects self-reform

Sankei:

- (1) Nationalization of GM: Reconstruction free of protectionism
- (2) Mid-term goal to cut global warming gasses: "Laugh, if you must" spirit needed in international talks

Tokyo Shimbun:

- (1) Diet session extended for 55 days: Set election day immediately
- (2) Nationalization of GM: Can it survive in a "green society"?

Akahata:

- (1) Cut in number of seats in proportional representation constituencies in Upper House

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, June 1

NIKKEI (Page 2) (Full)
June 2, 2009

07:50 Took a walk around his official residence.
10:30 Met the Emperor and Empress at the entrance of the Japan Academy Hall in Ueno Park. Attended an award ceremony.
12:03 Sent the Emperor and Empress off.
13:28 Met at the Kantei with Secretary General Hosoda and Diet Affairs Committee Chairman Oshima, with Chief Cabinet Secretary Kawamura present. Kawamura stayed behind.
15:01 Attended an LDP executive meeting in the Diet.
15:25 Met Kawamura at the Kantei. Later, met New Komeito President Ota. Then met Hosoda and New Komeito Secretary General Kitagawa, with Kawamura.
18:25 Attended a farewelling for International Criminal Court Judge Saiga at the Foreign Ministry's auditorium.
18:40 Dined with his secretaries in a reception hall at the Hotel New Otani.
21:22 Returned to his official residence.

4) Japan, U.S. agree not to tolerate North Korea's possession of

nuclear weapons, will consider review of six-party talks

YOMIURI (Page 2) (Full)
June 2, 2009

Following North Korea's latest nuclear test, the Japanese and U.S. governments held an emergency high-level meeting at the Foreign Ministry yesterday, in which participants agreed that they could not tolerate North Korea's possession of nuclear weapons. They also shared the need to review the six-party talks on North Korea's nuclear program. The Japanese government takes the view that the framework of the talks should be maintained, but it intends to review with the U.S. and other countries ways of proceeding with the discussion, past agreements, and other details to explore a new approach to create a productive outcome.

The meeting was attended by Vice Foreign Minister Mitoji Yabunaka and senior officials from the Defense Ministry, the Finance Ministry

TOKYO 00001230 003 OF 011

and the Cabinet Secretariat from the Japanese side. Attended from the U.S. were Deputy Secretary of State James Steinberg, Special Representative for North Korea Policy Stephen Bosworth, and senior officials of the Treasury Department, the Defense Department and the National Security Council. Regarding the six-party talks, Yabunaka said in a press conference after the meeting: "It is necessary to consider their future options. While examining to what extent the approach taken so far has proved successful, we should consider a new approach based on this reflection."

In their talks, Japanese and U.S. officials also agreed that Japan, the U.S. and South Korea should cooperate in mapping out measures against North Korea. Pyongyang has announced that it would fire a long-range ballistic missile. In reaction, the U.S. reiterated its commitment to defending Japan from the North Korean threat.

5) Japan-U.S. vice minister-level talks agree to apply pressure for denuclearization of North Korea, review of Six-Party Talks

NIKKEI (Page 2) (Full)
June 2, 2009

The governments of Japan and the United States held a vice minister-level meeting on June 1 at the Foreign Ministry to discuss their response to North Korea's second nuclear test. In the meeting, the two sides shared the view that they will absolutely not allow North Korea to possess nuclear weapons. They also confirmed a policy course to take "effective measures" for the denuclearization of North Korea at such venues as the UN Security Council and the Six-Party Talks. At a press conference after the meeting, Vice Foreign Minister Mitoji Yabunaka pointed out the need for new measures, including a review of the modalities of the Six-Party Talks.

High-ranking government officials of Japan and the United States met for the first time after North Korea's nuclear test. U.S. Deputy Secretary of State James Steinberg told reporters after the meeting, "We are discussing what measures we can take at the UN Security Council and other venues."

Yabunaka also said, "While we will examine to what extent the approach that has been taken until now has proven effective, a new approach should be considered based on this reflection." He revealed a plan to consider a system that can ratchet up pressure on North Korea based on the fact that the denuclearization process of the Six-Party Talks is deadlocked.

In the meeting, the Japanese side asked for the cooperation of the United States for the settlement of the abduction issue, and the U.S. side showed an understanding.

6) Steinberg announces to Nakasone a plan to review dialogue-oriented policy toward North Korea

MAINICHI (Page 2) (Full)
June 2, 2009

Naoyuki Inukai

The governments of Japan and the United States held their vice minister-level talks yesterday in Tokyo to discuss their responses to North Korea that had conducted another nuclear test. It has

TOKYO 00001230 004 OF 011

become clear that U.S. Deputy Secretary of State James Steinberg, who attended the vice minister-level talks, indicated in his meeting with Foreign Minister Hirofumi Nakasone that the United States would review its dialogue-oriented policy toward the North. Steinberg said, "Things will not go in the same way as before, although we will keep dialogue as our leverage in dealing with North Korea." Steinberg also said in the vice minister-level talks, "Things will not go as before."

He is believed to have expressed a view that the United States will ratchet up pressure on the North based on the fact that the Obama administration's dialogue policy course failed to prevent Pyongyang from conducting the nuclear test and launching ballistic missiles.

In his meeting with Nakasone, Steinberg emphatically said, "The same mistake must not be repeated." Nakasone welcomed Steinberg's comment on applying greater pressure on North Korea, saying, "That is the direction we also want."

The vice minister-level talks were attended by Administrative Vice-Foreign Minister Mitoji Yabunaka, Steinberg and others. Based on the bitter lesson learned from the Six-Party Talks that the framework has not functioned effectively in addressing the North Korean nuclear issue, the two sides agreed in the talks to discuss a new approach with countries concerned. The new approach seems to mean asking China, the chair of the Six-Party Talks, to exert influence. The two sides confirmed a policy course to cooperate for the adoption of a strong UN Security Council resolution, saying they absolutely cannot allow North Korea to possess nuclear weapons. The Japanese side indicated that the abduction issue is also extremely important.

7) Vice Minister of Foreign Affairs Yabunaka calls for "new approach"

ASAHI (Page 5) (Full)
June 2, 2009

Toru Higashioka

In light of the recent North Korean nuclear test, Japanese and U.S. officials lead by Vice Minister of Foreign Affairs Mitoji Yabunaka and Deputy Secretary of State James Steinberg exchanged views on future policy toward the DPRK at the Ministry of Foreign Affairs in Tokyo on June 1. After the meeting, Yabunaka told a news conference that the Six-Party Talks "continues to be an effective framework," but indicated that "a new approach based on lessons learned" is necessary. Yabunaka wondered "how effective the approach so far had been," since it was unable to stop the missile launches and the nuclear test, indicating his assessment that past policy had not been fully successful.

On the other hand, Steinberg told reporters after the meeting that, "We focused on developing a common strategy." The U.S. delegation also met Democratic Party of Japan (DPJ) President Yukio Hatoyama. According to the DPJ, Steinberg said that "(the U.S.) will make serious efforts to persuade China," indicating his belief that the response of China, which has close economic ties with the DPRK, holds the key.

8) U.S. shifting to pressure tactic in dealing with North Korea; Delegation includes Treasury official

TOKYO 00001230 005 OF 011

ASAHI (Page 5) (Full)

June 2, 2009

A U.S. government delegation led by Deputy Secretary of State James Steinberg is in Japan for discussions with the Japanese government on June 1 on how to respond to North Korea's nuclear test. The lineup of the delegation, which consists of senior officials in charge of foreign, military, and financial affairs, reflects the Obama administration's strong determination to "contain North Korea by all possible means" (State Department source). It is very likely that this may become the turning point for the U.S. government, which has advocated a "dialogue" with North Korea, to shift to "pressure" tactics.

After his meeting with Japanese officials on the afternoon of June 1, Steinberg emphasized to reporters the need to apply pressure on North Korea: "We need to make North Korea understand that it has to reverse its course."

It is noteworthy that Under Secretary of the Treasury Stuart Levey is a member of the delegation. He was responsible for the U.S. financial sanctions on a Macau bank, to which the DPRK had reacted fiercely. Financial sanctions are included in the sanction resolution currently being deliberated at the UN Security Council, and Levey's presence in the delegation is an indication of the U.S. stance of applying financial pressure.

On the other hand, Stephen Bosworth, special envoy for North Korea policy who is the coordinating officer for the U.S. government's DPRK policy and chief liaison with other countries, is a mere member of the delegation. There are growing moves to modify the North Korea policy led by Bosworth, who has called for "dialogue and patience," after the nuclear test. At the discussions on June 1, Bosworth himself said that U.S. policy "is not one-sided dialogue" (Ministry of Foreign Affairs source). The reason why the U.S. government has begun to shift to a tough stance is because North Korea's nuclear test is regarded as the "first direct challenge" (New York Times) to President Barack Obama, who is campaigning for "a world without nuclear weapons."

North Korea has repeatedly stressed that it is a "nuclear power." After the second nuclear test, it is now widely believed that the DPRK does not intend to "denuclearize" - which is the goal of the Six-Party Talks - but wants to "go into nuclear arms reduction talks as a nuclear power" (Victor Cha, former director of Asian Affairs, National Security Council).

Nuclear proliferation by North Korea has also become a real possibility. There is an opinion that, "North Korea's plutonium and missile technology and Iran's centrifuges complement each other. The collaboration of the two will be fatal." (Stanford University Professor Siegfried Hecker) Within the State Department, there is also opinion that being soft on North Korea will have a ripple effect on the Iranian nuclear issue, which the U.S. regards as more serious.

The U.S. government reckons that "North Korea will have to return to the Six-Party Talks sooner or later." (Gary Samore, White House coordinator for arms control and weapons of mass destruction and terrorism) It intends to maintain the Six-Party Talks framework. However, the U.S. undeniably cannot project into the future. It is

TOKYO 00001230 006 OF 011

believed that it may attempt to find a window for dialogue using the issue of the two female American journalists now in custody in North Korea.

9) Hatoyama to U.S. Deputy Secretary of State: Democratic governments in both Japan and the United States

NIKKEI (Page 2) (Full)
June 2, 2009

Democratic Party of Japan President Yukio Hatoyama met U.S. Deputy Secretary of State James Steinberg at the party headquarters on June 1. He said: "Let us take on the big challenge posed by various issues with Democratic governments both in Japan and the United

States," calling for strengthening bilateral relations while also indicating a strong motivation toward a change of government.

On the North Korea issue, Hatoyama pointed out that, "It is important to draft a UN resolution incorporating additional sanctions and draw China into cooperating." Steinberg responded with: "North Korea will probably understand that even with a change of government in Japan, the response of Japan and the United States will remain unchanged," paying lip service to Hatoyama.

10) Japan again asks U.S. for F-22 data

MAINICHI (Page 5) (Full)
June 2, 2009

Administrative Vice Defense Minister Kohei Masuda yesterday met with visiting U.S. Assistant Secretary of Defense for Asian and Pacific Security Affairs Gregson at the Defense Ministry. In the meeting, Masuda referred to the F-22, a state-of-the-art stealth fighter developed by the United States, as a likely candidate in the process of selecting the follow-on mainstay fighter (FX) for the Air Self-Defense Force. In this connection, Masuda again made a request to provide such data as the F-22's performance and equipment. Gregson went no further than to explain that the F-22 has been embargoed by the U.S. Congress.

In addition, Masuda and Gregson also confirmed that Japan and the United States would steadily realign U.S. forces in Japan, based on a bilateral agreement reached in 2006 on such measures as relocating the U.S. Marine Corps' Futenma Air Station in Ginowan, Okinawa Prefecture, to a coastal area of Camp Schwab in the island prefecture's northern coastal city of Nago.

11) LDP calls for retracting defense spending cuts

SANKEI (Page 2) (Abridged)
June 6, 2009

The ruling Liberal Democratic Party yesterday revealed its final draft proposal for the government's national defense program guidelines to be revised late this year. The final draft proposal makes a request to the government, insisting that the government should modify its draft revisions to the guidelines. Specifically, the LDP, in its finalized proposal, insists that the government should retract its policy of cutting back on Japan's defense spending and defense capabilities. In addition, the LDP policy proposal paper also says the government should maintain and expand its defense spending and the Self-Defense Forces' manning level.

TOKYO 00001230 007 OF 011

What lies behind this is the worsening of the security environment surrounding Japan, as seen from North Korea's repeated nuclear tests and ballistic missile launches, China's projection of its military power with plans to build flattops, and Russia's recovery of military power. In addition, the SDF has been tasked with an increasing number of missions for international peace cooperation. "The SDF cannot fully meet the needs with its decreasing budget and manpower," an LDP lawmaker on national defense said.

The final draft, titled "Policy Proposal on the New National Defense Program Guidelines," was created by the LDP Defense Division's defense policy subcommittee (chaired by Hiroshi Imazu) with modifications to its May 26 original draft. It also calls for the government to think twice about its "big-boned" economic and financial policy guidelines' defense spending cuts. The LDP will shortly make a formal decision on its finalized policy proposal and will present its policy proposal paper to the government.

In concrete terms, the LDP policy proposal paper specifies the need for Japan to "ensure air and sea supremacy" against Chinese forces in the sphere ranging from areas in the neighborhood of the Nansei Shoto islands, or Japan's southwestern archipelago of islands, to areas down to Guam.

The original draft proposal touched on the advisability of acquiring the capability of striking enemy bases. Within the LDP, however,

there are also cautious arguments concerning this enemy base strike option. So the final draft sought their understanding, with an additional description saying acquiring this capability will "establish stronger bilateral cooperative arrangements between Japan and the United States."

12) Kawamura denies 'secret deal' on nuke introduction

MAINICHI (Page 5) (Abridged)
June 2, 2009

Chief Cabinet Secretary Takeo Kawamura, meeting the press yesterday, denied that Japan and the United States had concluded a secret agreement tacitly allowing "nuclear introduction" into Japan. In this connection, some of the media reported yesterday that the Foreign Ministry had reportedly controlled the secret deal concluded between the Japanese and U.S. governments when the Japan-U.S. Security Treaty was revised in 1960. Kawamura said, "Since there have been no prior consultations for nuclear introduction, I have no doubt at all that there was no nuclear introduction." The bilateral security treaty stipulates that the U.S. government is to propose consultations with the Japanese government before bringing in nuclear weapons into Japan. Meanwhile, Administrative Vice Foreign Minister Mitoji Yabunaka also denied the secret pact in a press conference yesterday, saying, "The successive prime ministers and foreign ministers have explained that there was no such secret agreement."

13) Government to decide on basic space program today to shift course to use space for military purposes

AKAHATA (Page 3) (Full)
June 2, 2009

The government's Strategic Headquarters for Space Development, headed by Prime Minister Taro Aso, will hold a plenary session today

TOKYO 00001230 008 OF 011

to make a formal decision on the basic space program now being readied. The expert panel-drafted program that defines for the first time the use of military satellites by the Self-Defense Forces (SDF) as part of the nation's state strategy is likely to be approved (by the government). The program is designed to allow the country to set foot on the dangerous path of military expansion, completely reversing the modality of Japan's development and use of space which has been limited to the nonmilitary field.

The basic program is designed to shift Japan's emphasis from research and development in the space area to the use of space. The program also lists six basic directions, such as reinforcing security by using outer space and nurturing strategic industries.

Many people expressed negative views on the basic program, formulated by April by the expert panel. For instance, one said, "If this program remains as is, chances are high that Japan will play a role of intensifying the global military expansion race in outer space." Another expressed opposition, "I am strongly opposed to building a system that would eventually allow a country with Article 9 to intimidate other countries by using force."

14) Lower House election in August now likely, with decision to extend Diet session until July 28

MAINICHI (Page 1) (Full)
June 2, 2009

Prime Minister Taro Aso decided in a meeting with New Komeito President Akihiro Ota at the Prime Minister's Office yesterday to extend the current Diet session, which is due to end on June 3, for 55 days until July 28 in order to ensure the passage of key bills now on the Diet table. The bills include an antipiracy bill and the fiscal 2009 supplementary budget and related bills. The extension plan is likely to be approved in a House of Representatives plenary session today. Under this plan, it will be possible to hold a Lower House election on Sept. 6, just before the Lower House members' term runs out. An increasing number of ruling party members now expect

the election to take place sometime in or after August.

Three voting day options are being discussed. The most likely plan is to dissolve the Diet in mid or late July, in order to enact a bill revising the Law on Special Measures concerning Taxation, which is one of the extra budget-related bills and has already cleared the Lower House, and the antipiracy bill. Under this scenario, it will be possible to avoid the general election and the Tokyo metropolitan assembly election from being held on the same day or dates close to each other, in accordance with the New Komeito's desire. The Tokyo election is scheduled for July 12. If this plan is adopted, the voting day will be Aug. 2 or 9.

There is speculation that Aso aims to face the election after obtaining diplomatic results over the Northern Territories and other issues in the July 8-10 Group of Eight (G-8) Summit in Italy. But the annual Peace Memorial Ceremony for the atomic bomb victims is scheduled for Aug. 9 in Nagasaki. An ex-cabinet minister commented: "Since the election campaign period will cover the day of the memorial ceremony in Hiroshima, this option is inconceivable."

The next option is to dissolve the Lower House on July 28, when the Diet session is to recess. Under this option, the election will be set for Aug. 30 or Sept. 6. In this case, it will make little

TOKYO 00001230 009 OF 011

difference in either the case of a general election resulting from Diet dissolution or one resulting from the natural expiration of the Lower House members' term. It is also conceivable that calls for dumping Aso will grow in the Liberal Democratic Party prior to the expiration of his term of office if public support of his government drops further.

There is also the possibility of Aso dissolving the Lower House in June if the Democratic Party of Japan boycotts deliberations on the budget-related bills. But the New Komeito wants to avoid holding the general election and the Tokyo election on the same day

15) DPJ getting ready to fight Lower House election

MAINICHI (Page 5) (Full)
June 2, 2009

The government and ruling parties have decided to extend the current Diet session until July 28. In this regard, Ichiro Ozawa, a deputy president of the main opposition Democratic Party of Japan (DPJ), said: "It is certain that the next general election for the House of Representatives will be held by the end of August." The DPJ, therefore, has started preparing for the next Lower House election. With the political situation following the election in mind, the largest opposition party is making efforts to build good relations with economic organizations. DPJ President Yukio Hatoyama and Secretary General Katsuya Okada are moving their support for their party's candidates nationwide into full gear.

Hatoyama told reporters yesterday at party headquarters: "Such (lengthy) extension is not necessary. I think (the prime minister) probably doesn't want to dissolve the Lower House." He criticized Prime Minister Taro Aso's stance of delaying the dissolution of the Lower House.

Hatoyama, Okada and DPJ lawmakers responsible for policy making attended a meeting yesterday hosted by Japan Business Federation (JBF or Nippon Keidanren) Chairman Fujio Mitarai. The JBF held the session to discuss policies with the DPJ. The JBF side expressed concern that the DPJ's bill amending the Worker Dispatch Law would significantly hamper employment opportunities. Osamu Fujimura, the DPJ's shadow minister of health, labor and welfare, elaborated on a cautious view, saying: "I think our party does not necessarily want to pass the bill during the ongoing Diet session." Asked about a bill the DPJ submitted to the Lower House yesterday afternoon to revise the Political Funds Control, which includes a complete ban on corporate donations in three years, Policy Research Committee Chairman Masayuki Naoshima explained: "After corporate donations are prohibited, we will collect donations from individuals." He also said: "We ask for your support for the three-year grace period."

Hatoyama and Okada set off on a stumping tour on May 30 and 31. They energetically ran around the Tokyo Metropolitan area. Hatoyama is expected to visit Chiba City this week to give a speech to support a candidate running in the Chiba mayoral election (on June 14). The DPJ aims to consolidate its footing in large cities by winning the Chiba mayoral election, following the victory of Nagoya and Saitama mayoral races. Appearing on a BS11 digital program yesterday, DPJ Diet Affairs Committee Chairman Kenji Yamaoka said: "If we win the Chiba mayoral election and the Tokyo Metropolitan Assembly election, the power to remove Aso from office will emerge."

TOKYO 00001230 010 OF 011

Ozawa will spent most of this week stumping in the Kyushu region. He plans to travel to isolated islands and mountain areas.

Deputy President Naoto Kan will visit Britain on June 6-10. In order to give substance to the DPJ's administrative concept, he will conduct field research there focused on relations between the bureaucracy and cabinet. He told the press corps yesterday at party headquarters: "We will change Japan by replacing the cabinet. We want to show the public the meaning of a DPJ-led government."

16) Diet extended until July 28: Final battle toward Lower House dissolution

TOKYO SHIMBUN (Page 2) (Full)
June 2, 2009

Ruling parties pin hopes on economic stimulus package producing results

The Aso administration on June 1 decided to extend the Diet session until July 28. Prime Minister Taro Aso intends to dissolve the Lower House during the extended Diet session. The ruling parties will enter a battle on the eve of Lower House dissolution in an effort to turn the tide of the upcoming general election in its favor.

The ruling parties are pinning hopes on four sets of economic stimulus measures, which the government adopted, producing effects, and boosting cabinet support ratings.

Fixed-sum cash handouts will be delivered to residents in urban areas, starting this month. Special subsidies designed to revitalize local regions will also be handed out after local assemblies pass their acceptance.

An eco-point system, under which consumers get points when they purchase environment-friendly electronic home appliances and can exchange them for commodities or services will start in August. Highway tolls will again be discounted to 1,000 yen during the obon holidays. The ruling parties are really hoping that the economy will turn around with the stimulus packages produce results from now.

If that is the case, it is only natural for them to calculate that the longer the pre-election period is, the higher cabinet support ratings will rise, as Liberal Democratic Party Election Committee Vice Chairman Yoshihide Suga put it. However, whether the economy puts on the recovery track is unclear.

On the contrary, the prime minister once again went astray over reneging on the division of the Ministry of Health, Labor and Welfare, dealing a blow to the ruling parties.

Furthermore, ruling party-affiliated candidates are expected to have an uphill fight in the Chiba City mayoral election on the 14th and the Tokyo Metropolitan Assembly election on July 12. If the ruling parties suffer a deep setback in those elections, the mood in the ruling parties would worsen.

DPJ intends to drive mood for Lower House dissolution through speedy deliberations

Referring to bills related to the fiscal 2009 extra budget, Democratic Party of Japan (DPJ) President Yukio Hatoyama repeatedly

stressed, "The DPJ will not adopt a strategy of prolonging deliberations." He also criticized the substantial extension of the Diet session, noting, "It was not necessary to extend the session that much."

That is because in the event the DPJ delays deliberations on bills related to the extra budget, which include emergency economic measures, it would draw criticism from the public. The party also intends to bring about Lower House dissolution at the earliest possible date.

A certain senior official pointed out, "There is nothing much to do in the extended Diet session. I wonder what the prime minister is going to do, once the related bills pass the Diet." This official is envisaging a strategy of creating a mood for dissolving the Lower House, by creating political vacuum through the prompt handling of pending issues.

If the prime minister does not decide to dissolve the Diet soon, the DPJ plans to attack him, with Hatoyama saying: "(The prime minister) has extended the Diet, just because he did not want to dissolve the Lower House. He cannot call an election on his own."

In the meantime, the DPJ is steadily making preparations, including the drafting of a manifesto and holding debate on a power shift, with the aim of realizing a power transfer in the upcoming Lower House election.

In order to give impetus to the Lower House election, it will do its utmost to win the Chiba City mayoral election and the Tokyo Metropolitan Assembly election.

ZUMWALT